

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket 2002-458

CONSUMERS MAINE WATER COMPANY

Re: Proposed Increase in Rates for its
Hartland Division

STIPULATION

It is understood and agreed by and between Consumers Maine Water Company (“Company”) and the Office of Public Advocate as follows:

I. Purpose

It is the purpose of this Stipulation Agreement to settle all the issues with respect to this proceeding, to eliminate the need to hold a hearing and to expedite the Public Utilities Commission’s consideration and resolution of this proceeding. The provisions agreed to herein have been reached as a result of information gathered through the discovery process and discussions and negotiations with the Company.

II. Procedural History

On August 5, 2002, Consumers Maine Water Company filed a rate increase application for its Hartland Division requesting a 74.71% increase, or \$124,714 of additional annual revenue. This application was filed using a 2001 actual test year. The Public Advocate intervened in the proceeding.

III. Stipulation Provisions

1. It is agreed that the record on which the Commission may base its determination in this matter shall consist of this Stipulation Agreement, all data requests and responses thereto, and any other material furnished by the Staff to the Commission, either orally or in writing, at the time of the Commission’s consideration of these proceedings.
2. With the exception of the provisions in paragraph 6 below, it is agreed that this Stipulation Agreement shall not be considered legal precedent, nor shall it preclude a party from raising issues addressed herein in any other Commission proceeding or investigation.
3. The total revenue increase and revenue requirement shall be as follows:

Revenue Increase

Annual Revenue Requirement

\$124,714

\$291,647

4. Allowed rate base is \$1,535,851.
5. Capital Structure / Cost of Capital is as filed by the Company, and is based on 12/31/01 actual plus current Hartland Division - specific debt as presented on Exhibit CMW-18B.
6. The parties agree that the treatment facilities and transmission main as they presently exist associated with the Starbird Pond supply (hereinafter the "Starbird facilities") will be adequately maintained by the Company so as to serve as a back-up source of water supply for the Hartland Division in the event of an emergency. By agreement of the parties, the annual maintenance expenses for the Starbird facilities (e.g., electric power, heating fuel, etc., which are estimated by the parties to exceed \$1,000 annually) are not included in the Company's revenue requirement in this proceeding and shall not be recoverable in rates during any period in which the Starbird facilities remain as back-up.
7. The stipulated revenue increase reflects consideration of any and all other issues identified in the Company's filing and quantifiable adjustments proposed by one or more parties during the discovery process.
8. The parties agree that this rate increase will be allocated pro rata across all metered and fire protection classes.
9. The Company shall file with this Stipulation compliance tariffs and a billing analysis showing the new rates. It is agreed that the new tariffs shall become effective on November 1, 2002.

It is agreed that this Stipulation Agreement represents the full agreement between the parties hereto and that rejection of any part of this agreement constitutes rejection of the whole.

CONSUMERS MAINE WATER COMPANY

Judy W. Kelley

DATED: October 9, 2002

Judy W. Kelley, President

OFFICE OF THE PUBLIC ADVOCATE

DATED:

William C. Black
Deputy Public Advocate